

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 21 (Delegate Arnick)
Environmental Matters

Transportation - Study Committee on an Independent Port Authority

This bill creates a 13-member committee to study the feasibility of creating an independent port authority to operate the Port of Baltimore. The committee must also evaluate the effect of creating such an authority on the port, the Maryland Department of Transportation (MDOT), and the Transportation Trust Fund (TTF) and study how competing ports are managed, including the role of state and local government. The Department of Legislative Services will staff the committee.

The bill is effective July 1, 2004 and terminates June 30, 2005. The committee must report its findings and recommendations regarding governance of the port to the Governor and the General Assembly by January 1, 2005.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for Legislative Services are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Port of Baltimore is run by the Maryland Port Administration (MPA), a division of MDOT, and by the Maryland Port Commission. MPA has the authority to propose regulations, fix and revise rates and fees, acquire property, and

create private operating companies to operate port facilities. The commission, appointed by the Governor and chaired by the Secretary of Transportation, creates the policies and regulations for operating the port.

Under Chapter 9 of 1990, the General Assembly declared its legislative policy concerning public operation of the port. It stated that ports and harbors are assets of value to the entire State and that MPA should have the power if private facilities are inadequate or inadequately operated, to construct and, if necessary, operate any supplementary public facilities.

Background: MPA employs 313 people and received \$187.5 million in the fiscal 2004 appropriations. Its terminals at the port handle 85% of the foreign general cargo (*e.g.*, automobiles, containers, forest products) and received a total of 7 million tons of general cargo in fiscal 2003. Most of the port's bulk cargo (ore, coal, grain, etc.) is handled by private terminals. MPA's estimated fiscal 2004 net income is \$2.7 million.

Over 100 public ports operate in the United States and U.S. territories. Public port agencies include port authorities, special purpose navigation districts, bi-state authorities and departments of state, county, and municipal government. The Port of Baltimore ranked twenty-first in North American customer traffic in 2002.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, American Association of Port Authorities, Department of Legislative Services

Fiscal Note History: First Reader - January 22, 2004
mh/mdr

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